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23 April 1959

THRU : Secretary, USIB Committee on Exchanges, [REDACTED]
THRU : Chief, Intelligence Information Staff, ORR
THRU : Chief, Industrial Division, ORR
Chief, Producers' Equipment Branch, ORR

Intelligence value of proposed exchanges with USSR

1. We feel that all three exchanges which you mentioned — instrument manufacturing and automation, power and production of power-generating machinery, and agricultural machinery manufacturing — would be of considerable value to this branch. Priority of interest would be in the order listed above.

Instrument Manufacturing and Automation

2. The Soviets are placing considerable emphasis on the further development of this field during the Seven Year Plan. Output of instruments of all types will more than double by 1965; production of industrial control mechanisms and automation equipment will be almost five times that of 1958. In addition to the need to acquire more economic data on this industry, we need to learn more about the quality of Soviet-manufactured instruments and Soviet methods of manufacturing and inspecting them. This could be acquired by visits of US specialists to selected Soviet plants. The US Automatic Control Delegation which visited the USSR in August 1958 visited relatively few instrument manufacturing plants. In arranging for such an exchange, we should be sure that the US delegation is able to visit a reasonable number of instrument plants not visited by the Automatic Control Delegation.

3. This branch is to do a detailed research project on the Soviet instrument industry during Fiscal Year 1960. The information gleaned from this exchange would therefore be of immediate value. Because of the large amount of complex instrumentation on guided missiles, a greater knowledge of the Soviet instrument industry and more technical evaluations of Soviet instruments should assist the Guided Missiles Branch in its research.

Power and Manufacture of Power Generating Equipment

4. We believe that this exchange would provide the answers to some of the problems that have arisen in the research currently

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in progress on this sector of Soviet industry. Although some of these plants have been visited by Americans, including Senator Klander, information is still needed on plant capacities in order to assess Soviet published statistics on production of turbines and generators, and on labor force and costs. Another vital problem, on which Soviet Seven Year Plan goals hinge, is Soviet progress in the development of a sound hydrogen cooling system for generators and in standardization of turbines and generators of 200 megawatts and over. It is also important to evaluate developments in gas turbines, a subject not adequately covered in Soviet literature. In addition to visiting the "giants" of the industry, it would be desirable for a US delegation to visit some of the smaller, and less well known, plants.

Agricultural Machinery Manufacturing

5. Sharp decreases in production during 1958, a reorganization of the production of certain major items of machinery, and the traditional association of a number of the plants with ammunition production make this industry of considerable interest at the present time. Large numbers of western observers have trooped through "Rostsel'mash" at Rostov-on-Don and the "Serp i Molot" plant in Khar'kov, the two showpieces of the industry. No westerners, however, have visited the other important producers of agricultural machinery. An exchange which included only the two plants that have frequently been visited would be of no intelligence value. Negotiations with the Soviets on this exchange should have the itinerary well defined before any agreement is reached.

6. The large number of widely scattered plants in this country affords an opportunity for attempting to visit places in the USSR not generally open to foreigners. Twenty-one plants are located in cities listed in I/GM's "Locations of General Guided Missile Interest." More than ten are included in the area covered by I/GM's "Areas for Aid and Ground Observation of Indicators Associated with the Operational Deployment, Testing and/or Training Phases of Soviet Land-Based IRBM and ICBM Systems (SECRET)." The only plant in the USSR producing best harvesting combines is located in Dnepropetrovsk, grounds for another attempt to get into this missile manufacturing center.

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7. If this proposal is to include tractor plants, it may be possible to include Vladimir and Lipetsk, two installations not yet visited by westerners, in place of the traditional visits to the Stalingrad and Khar'kov tractor plants.

8. It may be difficult to interest US industry in this exchange, because the level of technology in most USSR agricultural machinery plants is so far behind the US that US specialists would have little to learn from the Soviets.

9. For all three proposed exchanges we will be glad to supply suggested itineraries upon request.

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